

U.S. Army Materiel Command

Mr. Gary Motsek

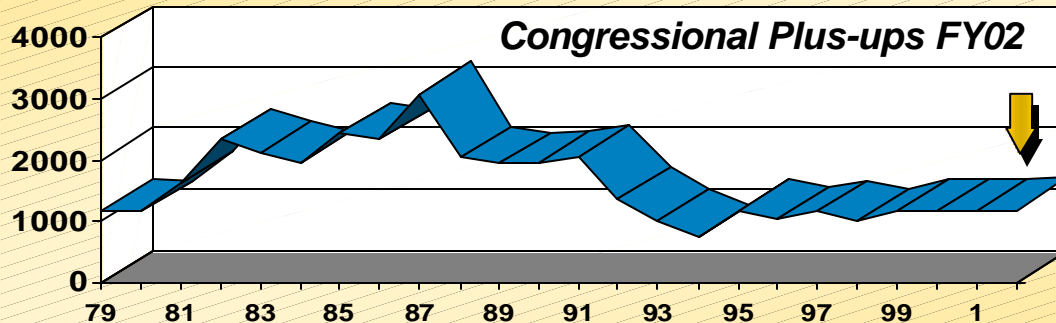
**Ammunition Update
to
Munitions Summit**

February 2002



PAA - Funding Profile

PAA Historical Trend (\$M)

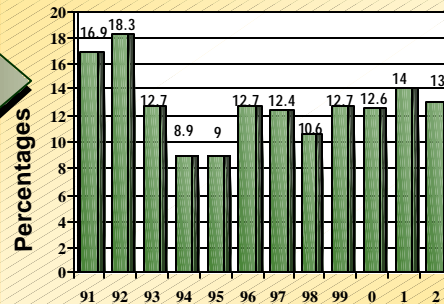


**Today's
Production
Reflects
Yesterday's
Funding**

Procurement as a Percentage
of Army Budget - FY01/FY02

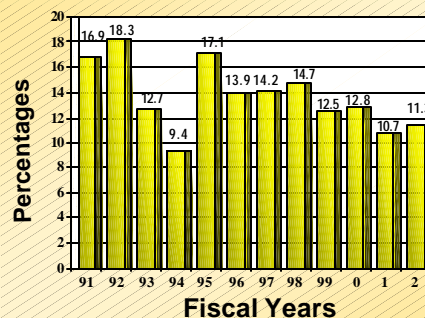
Army Budget
(\$ in Millions)

APPROPRIATION	FY01	FY02
FAMILY HOUSING	1,208	1,387
MIL PERSONNEL	29,263	30,347
RDTE	6,263	7,053
MCA	1,356	2,345
OMA	27,781	27,473
PROCUREMENT	10,905	10,568
ERA	0	387
BRAC	282	164
CHEM DEMIL	978	1,098
AWCF	11	167
TOTAL	78,047	80,989



Procurement Appropriation
(\$ in Millions)

APPROPRIATION	FY01	FY02
AIRCRAFT	1,541	1,971
MISSILES	1,309	1,072
WTCV	2,450	2,178
AMMUNITION	1,171	1,192
OTHER PROCUREMENT	4,434	4,155
TOTAL	10,905	10,568



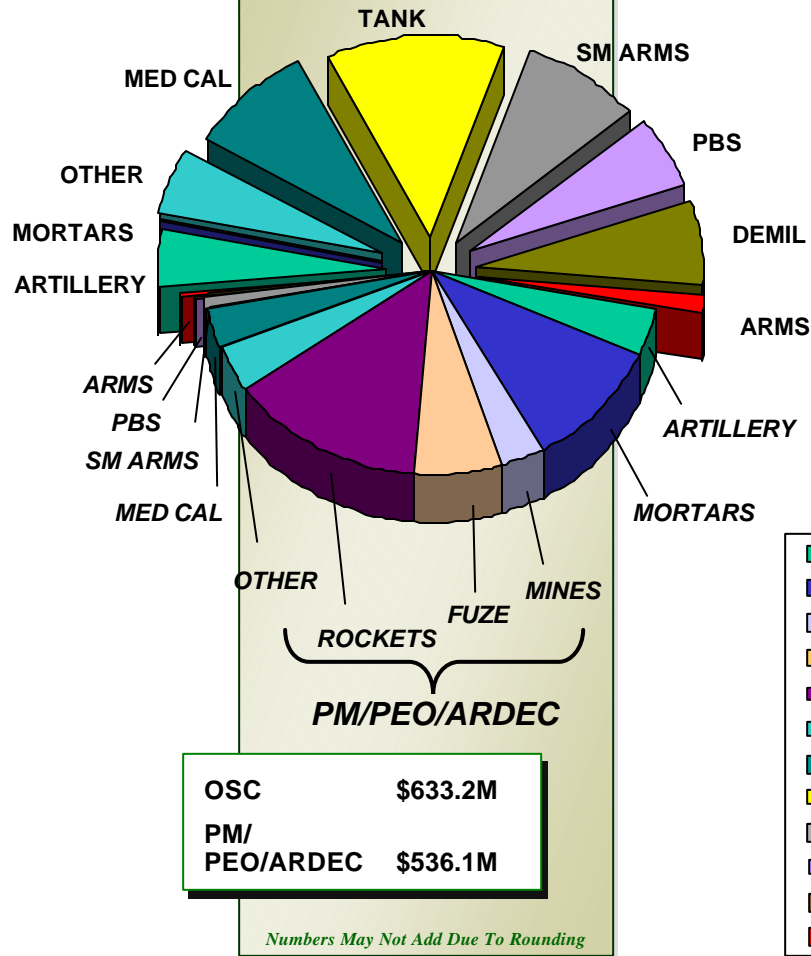
Ammunition as a Percentage of The
Procurement Budget - FY01/FY02

As of 01/02

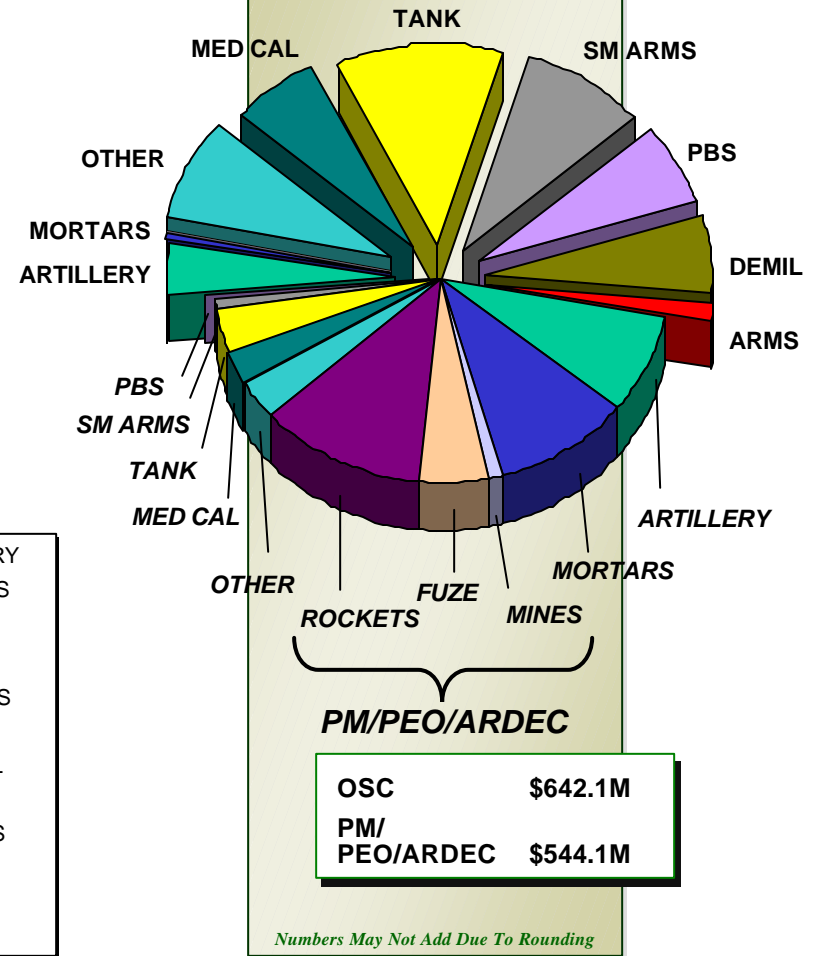
Army Ammo Funded Requirements

PAA

FY01



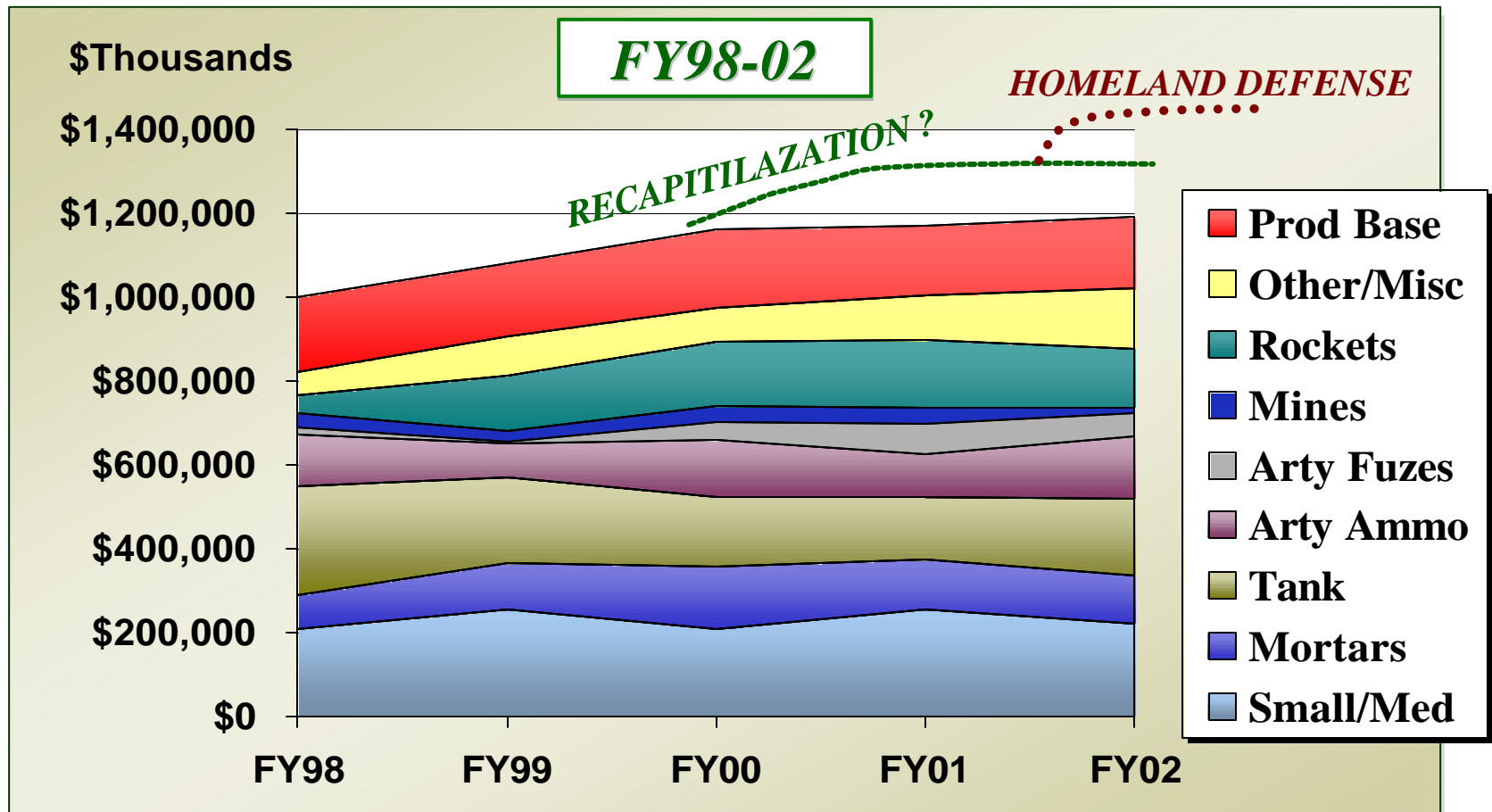
FY02



As of 01/02

Ammunition Procurement Projection

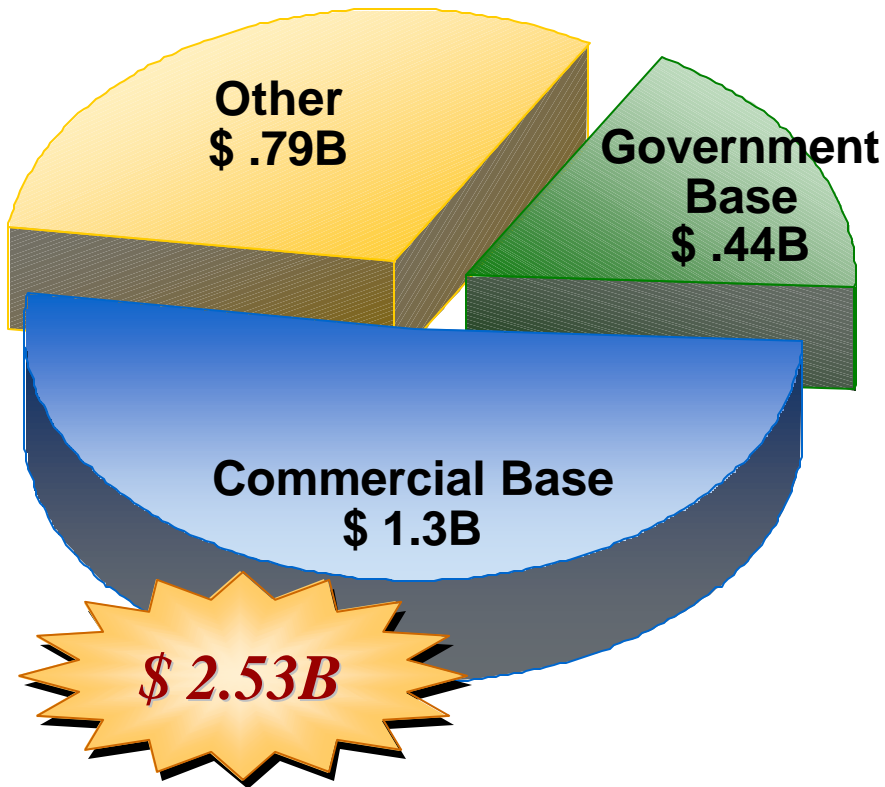
by Categories



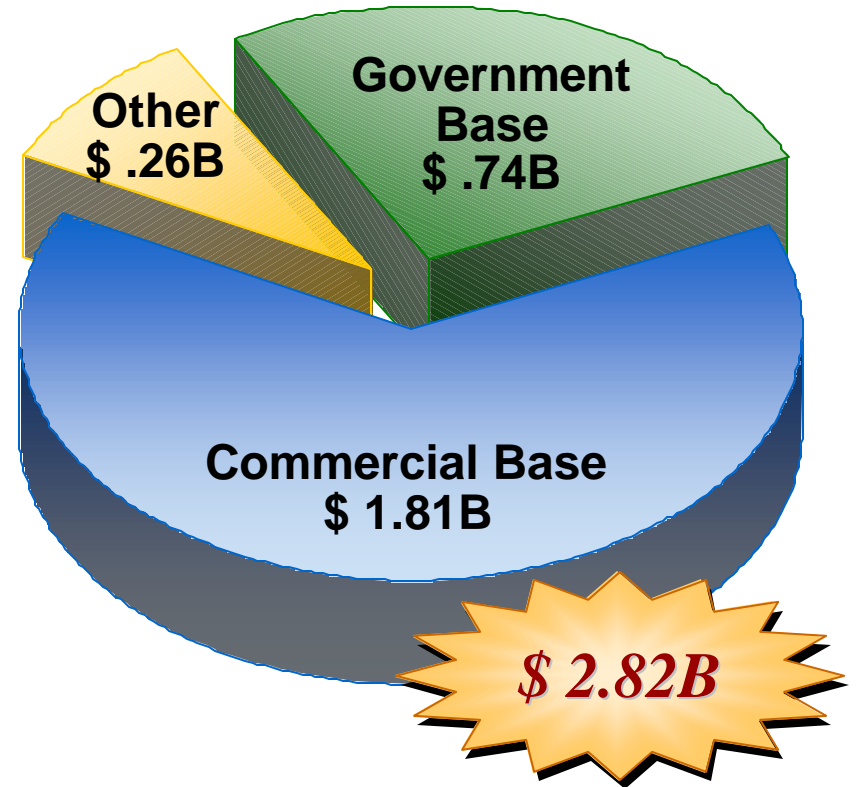
Where the Money Goes

— GOCO vs COCO vs Other —

FY96 - FY98



FY99 - FY03



Hardware Costs



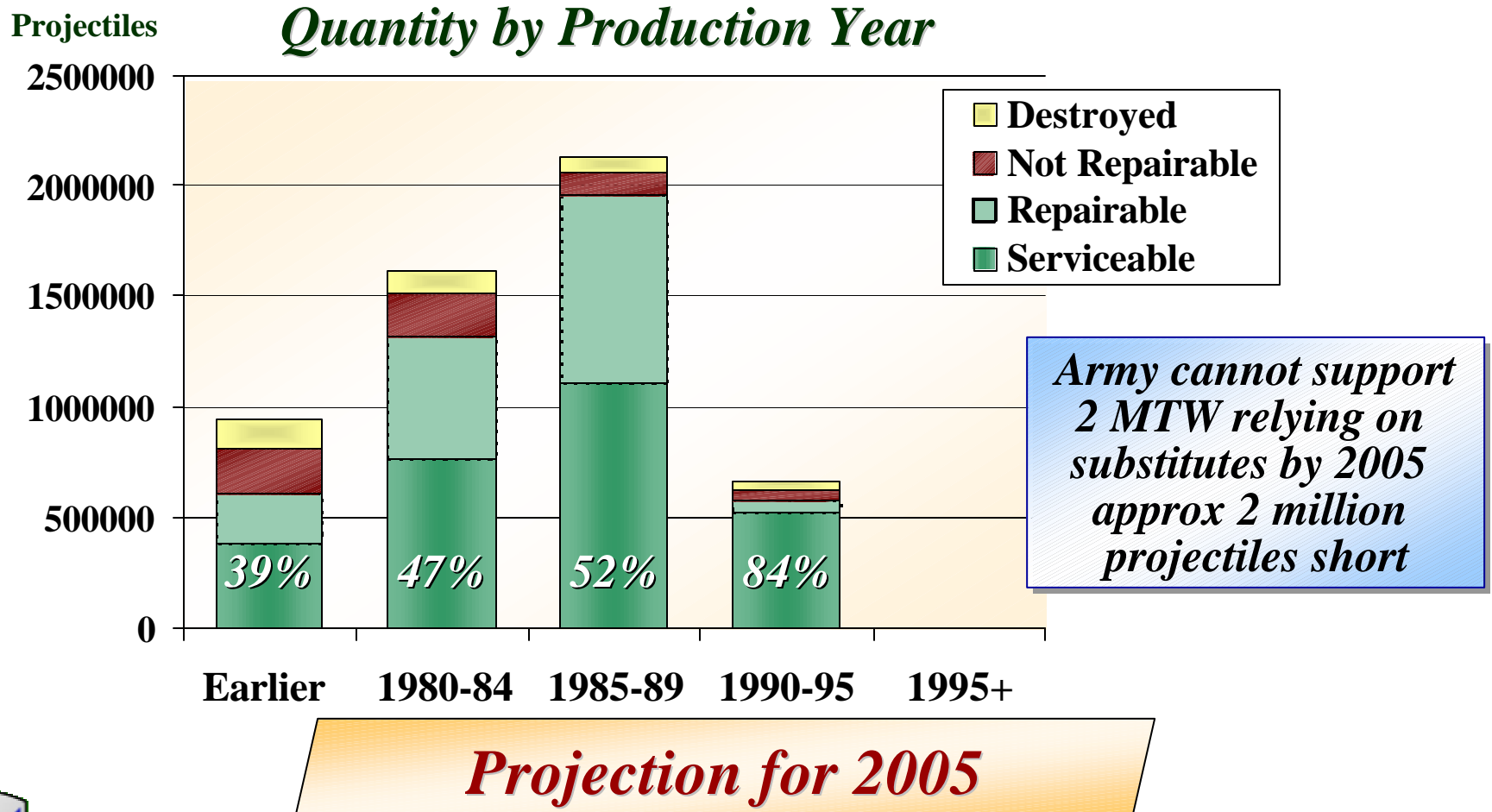
Ammunition Trends

- ✳ *Increased fuze production in SDF (Grenades), MOFA (Artillery), ET (Mortar).*
- ✳ *Non-lethal/non-standard ammunition has become popular*
- ✳ *Since 9/11, Homeland Defense will require spike in small caliber ammo requirements.*
- ✳ *Aging 155mm 483A1 DPICM stockpile becoming unserviceable, in addition there is a shortfall of M864s, and delayed development of 155 Excalibur DPICM.*
- ✳ *The majority of the Ammunition Recapitalization resources will focus on converting unserviceable 155mm DPICMs (483A1) to serviceable M864s with Self-Destruct Fuzes.*
- ✳ *Besides 155mm Recap, DA is reviewing the potential procurement of 155mm Smart Munitions to offset 155mm DPICM war reserve shortfall.*



Aging Stockpile - 155MM DPICM

Primary warfight munition for artillery until Smart Arty Munitions and EXCALIBUR fully field



The Way Ahead for Ammunition

- ✱ *Acceleration Capabilities to Meet Contingency Needs*
- ✱ *Commercial Hardware and Software Applications*
- ✱ *Modularity of Components*
- ✱ *Insensitive Munitions Reduce Propagation*
- ✱ *FCS - DS/GS Ammo Maintenance Enhancements - Fix Forward*
- ✱ *Enhanced Training (STRAC) Requirements (CS/CSS)*
- ✱ *Transformation - Lighter Logistical Footprint*
- ✱ *Greater Environmental Stewardship Required*
- ✱ *Greater Shelf-Life Demand - Fuzes/Propellant*
- ✱ *Self-Destruct and Operator Control Capabilities*



The Way Ahead for Ammunition

(Continued)

- ★ *Speed of Acquisition: reducing lead time from concept to delivery will be non-negotiable*
- ★ *Greater Scrutiny for Space Utilization at Ammo Plants*
- ★ *Increase in Use of Non-lethal*
- ★ *The Better the Simulator (real thing) - the Greater the Use*
- ★ *SMART Munitions (Reduce Log Footprint)*
- ★ *Common Guidance Systems and Sub-Components*
- ★ *Lighter Force and Weapon Platforms Means Lighter Ammunition.*



Conclusion

What We Need Is an Ammunition Industrial Complex Which:

- Meets the ammunition requirement for training during peacetime*
 - Satisfies the requirement for war reserve readiness stocks*
 - Supports short notice contingency requirements*
 - Replenishes training and WR stocks after conflict*
 - Maintains a technological edge*
 - Serves as insurance against strategic uncertainty*
 - Incorporates efficiencies and cost reduction*
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